

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES AND MINERALS – Sublet of the Mining Lease held by M/s. Andhra Pradesh Mineral Development Corporation Limited for Iron Ore over an extent of 1307.26 Acres in Survey Nos. 769,388,418,420 and 208 of Konijedu, Marlapadu, Kanduluru, Sarvireddipalem and Errajerla Villages of Tanguturu and Ongole Mandals of Prakasam District in favour of M/s. SPV Mining Company viz. M/s. Ongole Iron Ore Mining Company Ltd., for the period up to 13-5-2029 – Permission accorded – Orders - Issued.

INDUSTRIES AND COMMERCE (M.II) DEPARTMENT

G.O.Ms.No. 232

Dated:29-10-2009.
Read the following:-

1. G.O.Ms.No.95, Ind. & Com (M.II) Dept., dated:27-4-2009.
2. From the Hon'ble Supreme Court of India orders in SLA (C) No. 21550/2008, dated:25-9-2008 in W.P.(c)No.6288/2006, dated :01-7-2008.
3. From the D.M.G. File No.3973/R3-1/2004, dated:05-5-2009.
4. G.O.Ms.No.101, Ind. & Com (M.II) Dept., dated:13-5-2009.
5. From the D.M.G. File No.3973/R3-3/2004, dated:12-8-2009.

ORDER:-

In the reference first read above, Government have granted a Mining Lease for Iron Ore over an extent of 1307.26 Acres in Survey Nos.769, 388, 418, 420 and 208 of Konijedu, Marlapadu, Kanduluru, Sarvireddipalem and Errajerla Villages of Tanguturu and Ongole Mandals of Prakasam District for a period of 20 years in favour of M/s. Andhra Pradesh Mineral Development Corporation Limited, subject to satisfaction of all other terms and conditions of M.M(D&R) Act, 1957 and Mineral Concession Rules, 1960 and also subject to obtaining Consent for Establishment (CFE) from the A.P.State Pollution Control Board as per S.O.1533, dated:14-9-2006 and Environmental Clearance from Government of India under Environmental Impact Assessment and further subject to the additional conditions specified in the said order.

2. In the reference second read above, the Hon'ble Supreme Court of India in the Special Leave to appeal (Civil) No(s).21550 of 2008, dated:25-9-2008 passed orders to the effect that "any lease made by the second respondent in favour of the third respondent and any subsequent arrangements entered into by the third respondent with any third party will be subject to the final decision in this matter. Neither the third respondent nor any person with whom any arrangement is entered, can claim any equity, merely by reason of such arrangement or any expenditure incurred in pursuance of it. The third respondent should also specifically inform any person with whom it proposes to enter into any arrangement, about the pendency of this matter and the interim order".

3. In the reference fourth read above, an addendum to the Government orders in the reference first read above has been issued, basing on the proposal of the Director of Mines & Geology, Hyderabad in the reference third read above and also keeping in view the orders of the Hon'ble Supreme Court of India, dated:25-9-2009 in SLP © No.21550/2008 in W.P.(c) No.6288/2006, dated:01-7-2008.

4. In the reference fifth read above, the Director of Mines & Geology, Hyderabad has informed that in pursuant to the Government orders in the references 1st and 4th read above, the lease deed has been executed on 14-5-2009 in the O/o Assistant Director of Mines & Geology, Ongole, subject to the condition that any subsequent arrangements entered into by M/s. APMDC Ltd., with any 3rd party will be subject to final decision of the Hon'ble Supreme Court of India in SLP (c) No.21550/2008 filed by M/s. MSPL Ltd.,

5. The Director of Mines & Geology, Hyderabad, has also stated that it was reported by M/s. APMDC Ltd., that, according to the executive instructions, the lease deed was submitted to the Sub Registrar, Ongole for registration of the document. Further, an agreement was entered into between M/s. APMDC Ltd., and M/s. Gimpex Ltd., for promoting two joint venture companies for mining and beneficiation purpose i.e., SPV Mining Company, which would undertake mining operations and SPV beneficiation company for processing / beneficiation of the same into Iron Ore concentrates in Iron Ore deposit areas, wherein it was specifically mentioned under clause 26 that "this agreement is subject to result of SLP (C) No.21550/2008 pending before the Hon'ble Supreme Court of India. M/s.

A.P.Mineral Development Corporation Ltd., has also reported that in SPV Mining Company, M/s. APMDC Ltd., shall be allotted fully paid up equity shares for consideration other than cash, equal to 51% in the paid up share capital. This shall be the consideration for procuring mining leases and sub-lease in favour of M/s. SPV Mining Company. As per clause 11(VI) of agreement, M/s. APMDC Ltd., shall immediately sub-let to SPV Mining Company all mining leases for Iron Ore in the Iron Ore deposit areas granted to it without any delay.

6. The Director of Mines & Geology, Hyderabad has further stated that M/s.Gimpex Ltd., i.e., the promoter company has promoted SPV Mining Company viz., Ongole Iron Ore Mining Company Ltd. Hence, the D.M.G., has requested the Government to accord necessary permission under Rule 37 (a) of Mineral Concession Rules, 1960 to sublet the Mining Lease for Iron Ore over an extent of 1307.26 Acres in Sy.Nos.769, 388, 418, 420 & 208 of Konijedu, Marlapadu, Kanduluru, Sarvireddypalem and Errajerla Villages of Tanguturu and Ongole Mandals of Prakasam District, held by M/s. A.P.Mineral Development Corporation Limited, in favour of M/s. SPV Mining Company viz. M/s. Ongole Iron Ore Mining Company Ltd., for the period up to 13-5-2029, subject to the conditions mentioned in G.O.Ms.No.101, Inds. & Com. (M.II) Dept., dated:13-5-2009.

7. Government, after careful examination of the matter, hereby accord permission under Rule 37 (a) of Mineral Concession Rules, 1960, to sublet the Mining Lease for Iron Ore over an extent of 1307.26 Acres in Survey Nos.769,388,418,420 and 208 of Konijedu, Marlapadu, Kanduluru, Sarvireddipalem and Errajerla Villages of Tanguturu and Ongole Mandals of Prakasam District held by M/s. Andhra Pradesh Mineral Development Corporation Limited, in favour of SPV Mining Company viz. M/s. Ongole Iron Ore Mining Company Ltd., for the period up to 13-5-2029, subject to the conditions mentioned in G.O.Ms.No.95, dated:27-4-2009 and G.O.Ms.No. 101, Inds.&Com. (M.II) Dept., dated:13-5-2009 and also subject to satisfaction of MM(D&R) Act, 1957 and Mineral Concession Rules, 1960 and other relevant rules and regulations and amendments issued from time to time.

8. The sublet deed should be executed within three months from the date of this order and the lessee should pay all mineral revenue dues, if any, before execution of sublet deed.

9. The Director of Mines & Geology, Hyderabad is requested to take further necessary action in the matter after satisfying himself that all the provisions of the Rules/Acts are fulfilled by both the parties as required under applicable Rules/Acts.

(Note:-These orders are liable for cancellation should it be found it was grossly inequitable or was made under a mistake of fact or owing to misrepresentation or fraud or in excess of authority.)

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.VEERABHADRAIAH
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director,
M/s. A.P. Mineral Development Corporation Limited,
Pancom Business Center, 8-3-945,
2nd & 3rd Floor, Ameerpet, Hyderabad – 500 073. [By RPAD]
Copy to: The Director of Mines and Geology, Hyderabad. (w.e. file)
The Assistant Director of Mines and Geology, Ongole, Prakasam Dist.,
The District Collector, Prakasam District.
The Secretary, Govt. of India, Ministry of Mines, Dept., of Mines, New Delhi.
The Controller General, Indian Bureau of Mines, Nagapur.
The Director General, Mines Safety, Dhanbad, Bihar.
The Regional Controller of Mines, Koti, Hyderabad.
P.S.to Hon'ble M(M&G, H&T), A.P., Hyderabad.
Sf/Sc.

"A copy of this order is available on the Internet and can be accessed at address
<http://www.ap.gov.in/goir>"

// Forwarded :: By Order //

SECTION OFFICER